



## HOUSING CONNECT

### MINUTES OF THE NOVEMBER 2021 ELECTRONIC MEETING OF THE BOARD OF COMMISSIONERS

November 17, 2021

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**PRESENT:**

Spencer Moffat – Chair  
Phil Bernal – Vice Chair  
Mark Johnston – Commissioner  
Wendy Leonelli – Commissioner  
Erin Litvack – Commissioner  
Christine Nguyen – Commissioner

**EXCUSED:**

Gwen White – Commissioner

**GUESTS:**

Eric Novak – Praxis Consulting Group

**STAFF PRESENT:**

Janice Kimball – Chief Executive Officer  
Andre Bartlome – Chief Financial Officer  
Zach Bale – Chief Program Officer  
Kirk Moorhead – Real Estate Development Director  
Ilez Brady – Section 8 Housing Choice Voucher Director  
Mike Kienast – Chief Operating Officer  
Ryan Parker – SAIL Case Manager  
Dan Pincock – Executive Administrator

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**COMMENCE**

Chair Spencer Moffat commenced the meeting at 11:53a. The Board agreed to move the Sunset Gardens status report to the Consent Agenda and to table the COVID vaccine mandate discussion to a future meeting (after the legal issues have been resolved and there is more information).

**1. GUESTS/PUBLIC COMMENT**

There were no members of the general public participating. Eric Novak (Praxis Consulting Group) attended, as did Ryan Parker (Housing Connect SAIL case manager).

**2. CONSENT AGENDA**

The Consent Agenda consisted of the following items:

- Resolution #1045: Utah Nonprofits Association (UNA) Standards of Ethics re-certification;
- Hunter Hollow activity report;
- Sunset Gardens status report;
- staff changes

Commissioner Litvack made a motion to approve the Consent Agenda, and Commissioner Nguyen seconded the motion, with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voting in the affirmative. The Consent Agenda was approved by the Board.

**3. NEW CITY PLAZA (NCP) STATUS REPORT**

Consultant Eric Novak provided a briefing to the Board on the progress of the New City Plaza property. He said that it is anticipated that the financial closing will be in mid-February (2022). They are waiting for FHA firm commitment and the RAD conversion commitment (from HUD). A request has been submitted to Utah Housing Corporation (UHC) for a change in the wording of their declaration for

restrictive covenants (to allow NCP to reduce its reserves with the investor). Big picture items include, for the plan and cost review, there is an issue with the commercial fire sprinkler code (which would cost another \$2 million). He doesn't think we need to meet the code (the 13R firecode which would grandfather us in). For the seismic studies, the cost estimate is \$4.1 million to get up to code, and we are hoping to get sign off by all parties. A letter from the structural engineer is needed, clarifying (and confirming) that this is not needed.

Construction phasing: The contractor has given a schedule, and there are 4 discreet phases. We need more vacant units (at 55, currently; need to be up to 72) before Phase 1 can start. Meetings with residents and notifications will be starting very soon.

When asked about general pricing, he answered that Kier Construction is going out to subcontractors to get pricing. The process is being managed by G2 Strategies (owners rep), who is overseeing the process. They are tracking this closely and managing pricing using the schedule of values (from July) as the baseline. Any changes to the baseline need to be justified.

He noted one of the exhibits to the report showed the phasing schedule and briefly discussed the relocation of residents and said that the goal is, after Phase 1, to only move the tenants one time.

Commissioner Nguyen thanked Eric Novak for making everything so clear and easy to understand in the documents. Following the delivery of his report to the Board, Eric Novak left the meeting.

#### **4. EXECUTIVE SESSION**

At 12:07 p.m., Housing Connect Board Commissioner Litvack motioned for the Board to enter Executive Session to discuss a staff compensation issues and to update the Board on a real estate matter, and Commissioner Nguyen seconded the motion. All commissioners present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voted in favor of the motion, and the Board entered Executive Session.

At 12:22 p.m., Housing Connect Board Commissioner Johnston motioned for the Board to leave Executive Session and re-enter open (regular) session, and Commissioner Litvack seconded the motion. All commissioners present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voted affirmatively, and the Board returned to regular session.

#### **5. ACTION ITEMS**

The Board approved the following items:

- the October 2021 Housing Connect Board Meeting minutes: There were no comments or questions on the minutes. Commissioner Nguyen motioned to approve the minutes, and Vice Chair Bernal provided the second of the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voted in favor, and the October 2021 Housing Connect Board Meeting minutes were approved.

- staff holiday bonus: Vice Chair Bernal motioned to approve the staff holiday bonus as discussed in the Executive Session. Commissioner Litvack seconded the motion, with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voting affirmatively. The staff holiday bonus was approved.

- Resolution #1046 - Housing Connect calendar-year budgets: CFO Andre Bartlome pointed out that there are only two entities which are owned by Housing Connect which needed to have calendar-year budgets approved: Frontier and Villa Charmant. Frontier is budgeted to lose \$11,000, while Villa Charmant is expected to have \$85,000 more in revenue than expenses (with the same assumptions for the HOI calendar-year budgets). CEO Janice Kimball added that it is not unusual for Frontier to have a small deficit, as it is a small property serving homeless, and Vice Chair Bernal reminded the Board that Frontier could be a very valuable property for Housing Connect in the future and that it is worth keeping.

Commissioner Litvack made a motion to approve the resolution, and Commissioner Nguyen seconded the motion. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voted in the affirmative, and Resolution #1046 (Housing Connect calendar-year budgets) passed.

- Resolution #1047 (Public Housing Admissions and Continued Occupancy Policy - ACOP) and Resolution #1048 (Housing Choice Voucher/Section 8 admin plan updates): CEO Janice Kimball explained that these two resolutions are updates to the specific policies. Housing Connect Housing Choice Voucher/Section 8 Director Ilez Brady clarified that the ACOP updates were similar to what the Board approved earlier this year for the Section 8 admin plan in regards to remote hearings and the rules that go along with that and the language plans. She said that there were some smaller changes, as well. Vice Chair Bernal motioned to approve both Resolution #1047 and Resolution #1048. Commissioner Nguyen seconded the motion with all Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voting in favor of approving the resolutions. Resolution #1047 (Public Housing Admissions and Continued Occupancy Policy - ACOP) and Resolution #1048 (Housing Choice Voucher/Section 8 admin plan updates) were

approved.

- HR policy updates: There was a minor change to the funeral leave policy which the Board needed to approve. This change was to clarify that we are including in-laws in the policy and to give some definition to that term. Also, Commissioner Litvack motioned to approve the leave policy and proposed that the policy for staff taking time off to attend for funerals for non-relatives be modified, suggesting staff should be allowed to take up to 5 hours (up from 3 hours). Commissioner Nguyen seconded the motion with the proposed increase of up to 5 hours to attend non-family funerals. All Board members present (Chair Moffat, Vice Chair Bernal, and Commissioners Johnston, Leonelli, Litvack, and Nguyen) voted affirmatively, and the HR policy update to the funeral leave policy along with the leave increase (up to 5 hours) proposal was approved.

## **6. CEO's REPORT**

Housing Connect CEO Janice Kimball informed the Board of the following information:

- The Hub of Opportunity warranty issue: She noted that Housing Connect has had really good cooperation from R&O Construction. They are doing some testing (and will continue doing testing) and have added 5 additional drains to help with the water leaking.

- Section 8 overleasing and shortfall: Housing Connect is overleased by 2,458 unit months (out of a total of over 33,000 unit months) and is overspent by \$852,000. As a result, Housing Connect has been working with the HUD shortfall team. The agency has ported vouchers to the West Valley City Housing Authority, as well as to the Salt Lake City Housing Authority (both of which were significantly underleased). HUD will reimburse Housing Connect for expenses that were unforeseen (such as an increase in rents in the community), and Housing Connect will need to pay \$382,348 for the units overleased from Section 8 admin reserves. She mentioned that the reasons for the overleasing and shortfall were due to turnover in staff and the decreased attrition rate due to COVID. She indicated her confidence in the leadership (namely, Housing Choice Voucher/Section 8 Director Ilez Brady and CFO Andre Bartlome) and their ability to monitor the program going forward. She also noted that the Moving To Work status will allow the agency to have more flexibility with funding and decrease the pressure to try to spend every dollar, and the funding will come in as a block grant. There will be less emphasis on spending all funding through lease-ups. Vice Chair Bernal added that this allows the agency to manage the funding more efficiently than it could in the past.

## **7. QUARTERLY REPORTS**

- Financial Report: Housing Connect CFO Andre Bartlome provided the quarterly report for the financials (through the first three months of the fiscal year – through September). Overall, Housing Connect is doing a good job financially. He highlighted some items for the Board. He said that the High Rise is performing well and that the agency has received extra (up-front) admin funding for the Emergency Housing Vouchers (EHV). He reviewed the financial/budget results for the properties. Housing Connect anticipates receiving the developer's fee for The Hub once the property meets certain criteria. Central Office/Central Maintenance has been affected by capital expenditures which exceeded the budgets by \$48,000 (mostly for the lobby remodel and staff relocating to the basement in the space formerly used by Literacy Action Center), and he pointed out that there are some financial challenges related to Bodhi (security expenses and challenges with the neighborhood that it is in).

- Operations Report: Housing Connect Chief Operations Officer Mike Kienast presented the quarterly report for Operations. He said that the quarter (ending in September) was good and that the Operations team is doing well. He explained that the vacancy loss increased because Housing Connect had been holding some of the RAD and public housing units for both Sunset Gardens and High Rise transfers. The tax credit properties held strong (average occupancies at these properties was around 95%-96%), and the agency anticipates seeing progress over the next year. The Operations team was restructured, and Jeanette Hernandez is the Director with two regional property managers (Whitney Brickley and Meridian Garcia), who have split up the property portfolio. The regional managers have been able to fill in places where Housing Connect has lost staff. He also gave kudos to the Maintenance Tech team for the job it has done over the last year.

- Supportive Housing and Resident Services Report: Housing Connect Chief Programs Officer Zach Bale reviewed the supportive housing and the resident services programs, noting that most of the programs for supportive services are at or above capacity. For Refugee Employment Supportive Housing (RESH), which has a low utilization percentage, there was a brief discussion about the incoming Afghan refugees, as they do not qualify for Temporary Assistance for Needy Families (TANF) and for most federal sources of housing funding given their status as political asylees. Janice Kimball pointed out that the definition of who qualifies for the RESH funding is narrowly defined, and so the population for the funding is limited. Housing Connect has been in communication with Department of Workforce Services (DWS) but hasn't seen a lot of movement. He also reviewed some of the Resident Services programs and noted that they are also at or above capacity.

## **8. MOVING TO WORK (MTW) UPDATE**

CEO Janice Kimball informed the Board that the agency would be bringing the Annual Contributions Contract (ACC) for MTW forward to

the Board, and it will need to be signed in the future, but the agency is still working out the timing of signing the contract.

**9. COMMISSIONERS INPUT**

Chair Moffat, Vice Chair Bernal, and Commissioner Nguyen did not offer any input.

Commissioner Litvack brought to the Board's attention that the City Council approved use of a hotel for overflow for the homeless community during the winter.

**10. OTHER**

- Housing Connect CEO Janice Kimball mentioned to the Board that the agency would be looking to hold the (all-day) Board retreat in February 2022.

- She presented the Emergency Housing Voucher (EHV) rankings to the Board. The state average for EHV's is around 25%, and Housing Connect is trending slightly above that (at 28%). Nationally, the rate is 5.21%, so Utah is trending much better than that. EHV's are good through the end of 2023, and if the person maintains housing after that, the vouchers are good until he/she leaves.

- Housing Connect submitted its renewal funding under the Continuum of Care. All of the agency's programs in Tier 1 scored really well.

- The next Board meeting is scheduled for Wednesday, December 15.

**ADJOURN**

The November 2021 Board meeting adjourned at 1:10p.

Respectfully submitted,

Dan Pincock  
Executive Administrator